

# International Agribusiness Center

Weekly Country Report, September 28 – October 2, 2020

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## **USDA/Global Agricultural Information Network Reports**

China – Food Service - Hotel Restaurant Institutional – [link](#)

Hong Kong is the sixth-largest export market for U.S. consumer-oriented agricultural products, by value. Hong Kong is an attractive market for innovative U.S. food and beverage products as well as a gateway to the region. In 2019, Hong Kong's restaurant receipts dropped by 5.9 percent to \$14.4 billion, and the COVID-19 pandemic has further hampered food imports and food service sales in 2020. The Hong Kong government has launched multiple stimulus measures to help local residents and businesses cope with the COVID-19 adversity, and Hong Kong's economy is expected to pick up in 2021 when the coronavirus situation improves.

Japan - MAFF Lowers Planned Butter Imports by 30 Percent – [link](#)

On September 25, the Ministry of Agriculture, Forestry, and Fisheries (MAFF) announced that it would lower planned imports of butter to 14,000 metric tons (MT) for Japanese fiscal year (JFY) 2020, reflecting a 30 percent decrease from the previously announced volume of 20,000 MT. This is the first time that MAFF has lowered the butter quota midyear since JFY 2015. The reduction reflects concern over Japan's growing butter stocks.

Vietnam African Swine Fever Update – [link](#)

African Swine Fever (ASF) outbreaks have reoccurred in many parts of Vietnam, leading to the death and culling of 43,150 pigs from January to August 8, 2020. The ASF outbreaks have had major impacts on Vietnam's livestock industry, leading to a decline in pork production and an unprecedented pork price crisis. The Government of Vietnam (GVN) is promoting pork imports and supporting the rebuilding of swine herds in order to address the domestic hog/pork supply and price issues.

Russia - Food Service - Hotel Restaurant Institutional – [link](#)

The growth in the Russian HRI sector has been steady in recent years, mainly due to the expansion of fast food and chain restaurants outside of the saturated markets of Moscow and St. Petersburg. The COVID-19 pandemic has hit the food service sector especially hard as it kept people in their homes and restricted international travel. Foodservice outlets in most cities were permitted to open their doors in late June, but under strict conditions. Experts predict that 10-30 percent of HRI establishments will eventually go out of business. The road to recovery for this sector will be long and difficult.

Saudi Arabia - Food Processing Ingredients – [link](#)

Saudi Arabia is home to a growing food manufacturing and processing sector which benefits from population and income growth, life-style changes, state support, and favorable trade agreements. Investment in the sector is projected to reach \$59 billion in 2021, an increase of approximately 64 percent over 2013. Manufacturers include major multinational and domestic companies such as PepsiCo and SAVOLA. Most Saudi food manufacturers depend on imports for food ingredients. Saudi Arabia imported \$2.7 billion worth of intermediate food products in 2019, mostly for further processing. U.S. suppliers provided approximately 13



percent, or \$350 million. Some bulk products, including corn, are also used by processors.

Spain - Food Service - Hotel Restaurant Institutional – [link](#)

The impact of the COVID-19 health crisis on the Spanish Hotel, Restaurant and Institutional (HRI) sector has been nothing short of devastating. After hosting another record number of foreign visitors in 2019, Spain received 72.4 percent less tourists during the first seven months of 2020 compared to the previous year. Following seven weeks of strict confinement, gathering restrictions, and capacity limits inside restaurants across the country, the Spanish hospitality sector estimates that about 40,000 businesses have already closed. Under the current scenario, the sector expects a total of 65,000 establishments will disappear by the end of the year. Throughout this time, food delivery services provided a lifeline for some restaurants. Just during the strictest period of confinement food delivery attracted 2.2 million new customers. Meanwhile, catering and institutional operations are virtually paralyzed with over half of its working force currently unemployed.

### **Specialty Foods Magazine**

Updated HEROES Act Includes Restaurant Relief - [link](#)

House Democrats have introduced an updated version of the HEROES Act, which would infuse \$2.2 trillion into the economy, that includes the RESTAURANTS Act, a \$120 billion grant program for independent restaurants and bars to cover payroll, rent, and other costs.

*Disclaimer: This list is by no means complete, for more information please refer to the links above.*